

## **Attachment 4B: Client Executive Certification Letter to DFAS Director**

Part of the process of providing our clients their Financial Statements is the DFAS Director's cover letter addressed to our respective clients. In these letters, the Director advises our clients of any material weaknesses that the client and/or the respective servicing DFAS Centers(s) have been noted. These letters are only issued to the reportable DoD entities. For the 2nd Quarter of FY 2005, you are requested to report the material weaknesses in your certification letter, or articulate in your certification letter that there are no deficiencies.

The attached two letters provide format examples for:

1. An entity that has material deficiencies. -- This letter provides standard deficiencies that were identified for most of our customers. Please note that this is not an all-inclusive list.
2. An entity that has no material deficiencies. -- This letter advises that there are no material deficiencies.

As stated above, your client's confirmation letter supports your letter to the DFAS Director. Please work with your client to ensure that a person at the appropriate level in his/her organization signs the confirmation letter. Two examples of the appropriate signature level are Mr. Argodale, Deputy Assistant Secretary of the Army (Financial Operations); and Mr. Easton, Director, Navy Office of Financial Operations.

If you have any questions, please contact Cathy Cribbs at 703-601-2551 or at [cathy.cribbs@dfas.mil](mailto:cathy.cribbs@dfas.mil)

**Attachment 4B: Client Executive Certification Letter to DFAS Director**

MEMORANDUM FOR DIRECTOR FOR ACCOUNTING, DEFENSE FINANCE AND  
ACCOUNTING SERVICE - ARLINGTON

SUBJECT: **(Entity and Fund)** Financial Statements for the Period Ended March 31, 2005 –  
Fiscal Year 2005, Second Quarter

Your Defense Finance and Accounting Service (DFAS) Client Executive has provided the Second Quarter, FY 2005 Principal Financial Statements and Notes for the **(entity and fund)** to you. These financial statements were submitted in accordance with the Department of Defense (DoD) Financial Management Regulation, Volume 6B, Form and Content of the DoD Audited Financial Statements.

I hereby certify that the **(entity and fund)** Second Quarter, FY 2005 financial statements, as of, March 31, 2005 are supported by trial balances, feeder reports, or other information provided to or maintained by the Defense Finance and Accounting Service. **(Entity and Fund)** financial statements for the period ended, March 31, 2005, are the correct consolidation of such supporting information, subject to the following deficiencies that have contributed to a disclaimer opinion issued by auditors in prior years on the financial statements of the **(entity and fund)**. These deficiencies remain for the current year's statements.

a. Financial and nonfinancial feeder systems do not contain an adequate audit trail for the proprietary and budgetary accounts.

b. DFAS cannot accurately identify all intergovernmental transactions by customer, which is required for eliminations when preparing consolidated financial statements.

c. Inventories held for sale, and operating materials and supplies (O&MS) are not reflected at historical cost.

d. The problem disbursements and in-transit disbursements that have been reported by a disbursing station to the Department of Treasury have not been precisely matched against specific source obligations. This condition adversely affects the Balance Sheet line item for Fund Balance with Treasury.

e. Adjustments for undistributed disbursements and collections are not supported at the detail level, which precludes expressing an opinion on accounts payable and accounts receivable.

My point of contact is \_\_\_\_\_ at (xxx) xxx-xxxx.

**Respective Client Executive's name and title**

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ACCOUNTING SERVICE - ARLINGTON

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Fiscal Year 2005, Second Quarter

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I hereby certify the Second Quarter, FY 2005 financial statements, as of March 31, 2005, for the **(entity and fund)** are supported by trial balances, feeder reports, or other information provided to or maintained by the Defense Finance and Accounting Service. **No material deficiencies are noted.** The **(entity and fund)** financial statements for the period ended, March 31, 2005, are the correct consolidation of such supporting information.

My point of contact is \_\_\_\_\_ at (xxx) xxx-xxxx.

**Respective Client Executive's name and title**